1 STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS 2 **SECURITIES DIVISION** 3 IN THE MATTER OF DETERMINING) Order Number S-08-181-08-SC01 4 Whether there has been a violation of the) Securities Act of Washington by: STATEMENT OF CHARGES AND NOTICE 5 OF INTENT TO ENTER ORDER TO CEASE 6 AND DESIST AND TO IMPOSE FINES AND CHARGE COSTS 7 Robert Edwards d/b/a E-Z Unlimited; Robert Pecord; and 8 Capital Asset Group, LLC 9 Respondents 10 THE STATE OF WASHINGTON TO: Robert Edwards d/b/a E-Z Unlimited Robert Pecord 11 Capital Asset Group, LLC 12 13 STATEMENT OF CHARGES 14 Please take notice that the Securities Administrator of the State of Washington has reason 15 to believe that Respondents, Robert Edwards d/b/a E-Z Unlimited, Robert Pecord, and Capital 16 Asset Group, LLC, have each violated the Securities Act of Washington and that their violations 17 justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each 18 to cease and desist from such violations, imposing fines pursuant to RCW 21.20.395, and 19 charging costs pursuant to RCW 21.20.390(5). The Securities Administrator finds as follows: 20 TENTATIVE FINDINGS OF FACT 21 I. RESPONDENTS 22 1. Robert Edwards d/b/a E-Z Unlimited ("Edwards") is believed to be a resident of 23 Idaho. 24 25

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STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST AND TO IMPOSE FINES AND CHARGE COSTS

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

- 2. Robert Pecord ("Pecord") is believed to be a resident of New York and the sole member of Capital Asset Group, LLC.
- 3. Capital Asset Group, LLC ("CAG") is a New York limited liability company, formed in 2004 with its principal place of business in Elizaville, New York. CAG is purportedly in the business of foreign exchange asset management.

II. NATURE OF THE OFFERING

- 4. Between October 2004 and March 2005, Respondents offered and sold investments in the form of promissory notes to at least one Washington investor. The investments made totaled at least \$100,000.
- 5. Edwards told the investor that Pecord had an investment program through CAG involving day trading in futures and currencies markets. Edwards also told the investor that loans would be secured by promissory notes and the investment money would be used by Pecord and CAG to earn a return on investment of at least 8% per month. Respondents did not provide any other disclosures or other written documentation about the risks of the investment.
- 6. In October, 2004, Edwards sold the investor a promissory note for \$50,000. Edwards agreed to pay the investor 9% interest per month for a period of six months, plus return of his principal. The note was renewable at the end of the term by mutual agreement of the parties. Additionally, the note was callable by either party with 30 days written notice. The investor wired \$50,000 to CAG's Key Bank account in Hudson, NY from his Wells Fargo bank account located in Seattle, WA.
- 7. In January, 2005, Edwards sold a second promissory note to the same investor for \$50,000. This time, Edwards agreed to pay the investor 8% interest per month for one year, plus return of his principal. Additional terms of the second note were identical to the first note. The STATEMENT OF CHARGES AND NOTICE OF 2 DEPARTMENT OF FINANCIAL INSTITUTIONS INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 Olympia, WA 98507-9033 360-902-8760

investor again wired \$50,000 to CAG's Key Bank account from the same Wells Fargo bank account located in Seattle, WA.

- 8. The first five interest payments on the first note were paid to the investor by Edwards. The first two payments on the second note were also paid to the investor by Edwards. In May, 2005, both notes were consolidated and then transferred from Edwards to Pecord and CAG. The same conditions, terms and dates under the original notes were maintained, however, the monthly interest payment for the combined notes was set at 8%.
- 9. Pecord and CAG's final payment to the investor was in July, 2006, in the amount of \$1000. The investor has made numerous written demands to Pecord and CAG for the return of his principal to no avail.
- 10. In May of 2008, Edwards offered the investor \$4,000 to withdraw his complaint to the Securities Division. The investor declined the offer and instead requested that Edwards assist him in obtaining the return of his principal owed from Pecord and CAG. As of the date of the entry of this Statement of Charges, the investor has not received any additional interest payments and has not received a return of his principal investment.

III. MISREPRESENTATIONS AND OMISSIONS

11. Robert Edwards and Robert Pecord failed to provide the Washington investor material information regarding the Capital Asset Group, LLC investment, including, but not limited to, prospectus information such as financial statements, and general and specific risk factors involved in the investment.

IV. REGISTRATION STATUS

12. Capital Asset Group, LLC is not currently and has not previously been registered to offer and/or sell its securities in the State of Washington.

AND TO IMPOSE FINES AND CHARGE COSTS

Securities Division

Olympia, WA 98507-9033

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NOTICE OF INTENT TO ORDER RESPONDENTS TO CEASE AND DESIST

Pursuant to RCW 21.20.390, and based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, Robert Edwards d/b/a E-Z Unlimited, Robert Pecord, and Capital Asset Group, LLC, and their agents and employees each shall cease and desist from violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395 and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, Robert Edwards d/b/a, Robert Pecord, and Capital Asset Group, LLC, each shall be liable for and pay a fine of \$5,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390 and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondents, Robert Edwards d/b/a E-Z Unlimited, Robert Pecord, and Capital Asset Group, LLC, each shall be liable for and pay the Securities Division the costs, fees and other expenses incurred in the conduct of the administrative investigation of this matter, in an amount not less than \$2,500.

AUTHORITY AND PROCEDURE

This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST, IMPOSE FINES, AND CHARGE COSTS is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Robert Edwards d/b/a E-Z Unlimited, Robert Pecord, and Capital Asset Group, LLC, each may make a written request for a hearing as STATEMENT OF CHARGES AND NOTICE OF 5 DEPARTMENT OF FINANCIAL INSTITUTIONS INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033 Olympia, WA 98507-9033

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1	set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR	
2	HEARING accompanying this Order.	
3	If a respondent does not request a hearing, the Securities Administrator intends to adopt	
4	the above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent order	
5	against that respondent to cease and desist from violations of the Securities Act, and enter an	
6	order imposing the fine and charging costs, as described above.	
7 8	Dated and Entered this 11th day of August, 2008.	
9		Guidel Z, Stevenson
10		MICHAEL E. STEVENSON Securities Administrator
11	Approved by:	Presented by:
12	Martin Cordell	Tresented by.
13	Martin Cordell Chief of Enforcement	Patrick Kim
14	Ciner of Emorcement	Enforcement Attorney
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